

REMARKS

In view of the decision by the Board of Patent Appeals and Interferences ("the Board"), Applicant requests reopening of prosecution under 37 C.F.R. § 41.50(b)(1) and examination and consideration of the new amendments in view of the following remarks.

In its Decision, the Board entered a new ground of rejection under 37 C.F.R. § 41.50(b), rejecting then pending claims 1, 2, 4, 5, and 7-29 under 35 U.S.C. § 103(a) as unpatentable over Korhammer et al., U.S. Patent 6,278,982 ("Korhammer"), "NASD Working Paper 98-01: The Nasdaq Stock Market: Historical Background and Current Operations," ("Smith") and the following new reference "NASD" located by the Board:¹

NASD Rulemaking: Relating to an Integrated Order Delivery and Execution System, *Self-Regulatory Organizations; Notice of Filing of Amendment No. 1 to a Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to an Integrated Order Delivery and Execution System*, SECURITIES AND EXCHANGE COMMISSION, Release No. 34-39718, File No. SR-NASD-98-17, March 4, 1998 (Also published as 63 F.R. 12124, (March 12, 1998)) (NASD)

Decision at 3.

In the interest of advancing prosecution and to place the application in condition for allowance, Applicant have amended claims 1, 7, 14, 17, 18, 20-29 and has added new claims 30-33. Applicant has canceled claims 2 and 13, in addition to previously canceled claims 3 and 6.

Request for cancel

Applicant has amended independent claims 1, 14, 20, and 21 to incorporate a "request for cancel" feature of Applicant's invention that greatly eliminates the potential for dual liability for market participants involved in Applicant's order/quote collector facility.

Claim 1 is exemplary of amendments made to these independent claims. Claim 1 has been amended to recite an order routing/execution manager ...with the order execution manager receiving for one of the orders received by the common interface a request for cancel of an order

¹ Prior to appeal in the above application, the then pending claims 1, 2, 4, 5 and 7-29 were finally rejected in an office action dated October 27, 2003. Claims 1, 2, 4, 5, 14-17, 20-22, 26 and 27 were rejected under 35 U.S.C. § 103 (a) as unpatentable over Korhammer in view of Rai et al. U.S. Patent 6,377,982. Claims 7-13, 18, 19, 23-25, 28 and 29 were rejected under 35 U.S.C. § 103 (a) as being obvious over Korhammer in view of Rai et al. further in view of Smith. The Board did not sustain these rejections.

from a market participant that has one of the received orders also in an order book of the market participant to permit the order execution manager to prevent execution of the order, if the order has not yet been executed by the order routing/execution manager..

. Claim 14 (directed to a collector facility) and claims 20 and 21 (to a method and a computer program product, respectively) have been amended similarly.

As recited in, e.g., claim 1, Applicant provides a collector facility for an electronic market that includes a common interface to provide a single, common point of entry for coupling order delivery systems and quote entry systems that send quotes to the collector facility. For example, as described in Applicant's specification, an order collection system 20 includes an order routing/execution manager 26d that provides a single point delivery of executions or routing of orders, which substantially eliminates potential for dual liability. See Applicant's specification at pg. 6, line 16 to page 7, line 8.

Prior to Applicant's invention, the potential for dual liability caused electronic communications networks (ECNs) to opt out of participating in the prevailing order execution system, e.g., the Small Order Execution SystemSM (SOESSM). As described in Applicant's specification at pg. 9, lines 19-30:

ECNs do not currently participate in the SOESSM execution system because of the potential for dual liability and assuming proprietary positions. For example, if an ECN matches orders between subscribers and contemporaneously receives an execution from SOESSM against its quote, the ECN will be required to honor both the internal execution and the SOESSM executions, thus taking on a proprietary position. This issue of liability does not arise in Selectnet® because that system delivers orders which can be declined if the ECN, after scanning its book, determines that the quote was taken out by an internal execution. An ECN cannot decline a SOESSM execution because the system delivers an execution, as opposed to an order.

Applicant provides a solution to the problem of dual liability and the general reluctance of ECNs to participate in order execution systems by including a request for cancel feature, described in Applicant's specification at pg. 9, line 31 to page 10, line 6:

An ECN, like a market maker, can have the ability to give orders to system 20. If an internal subscriber wants to access an order in an ECN that is also being displayed in system 20, the ECN can request a cancel before effecting the internal match, as discussed below in FIG. 4. If the request to cancel is declined because the order was already executed against in order was already executed against in system 20, the ECN can decline the internal customer and avoid the potential for dual liability.

This feature allows a market participant such as an ECN to submit a request for cancel on an order in the collector facility that is also in the ECN's own internal order book. This prevents dual liability that would cause the ECN to take on an undesired proprietary position. If the request for cancel is accepted, the ECN knows that it can match its incoming internal order (outside of the system) to the one in its internal order book without fear of creating dual liability for itself. If the request for cancel is declines, (the subject of newly added claims 30-33) then the ECN can turn down the incoming internal order since, the order was already executed in the system.

The request for cancel feature, as incorporated into independent claims 1, 14, 20, and 21, allows for avoidance of dual liability. For at least this reason, independent claims 1, 14, 20, and 21 are patentable over the references Korthammer, Smith and NASD. Similarly, dependent claims 2, 4, 5, and 7-13, 15-19, 21-29 each depend from respective ones of these independent claims and are likewise patentable over the references.

Remaining Amendments

Independent claims 20 and 21 have also been amended to remove limitations relating to displaying quotes and/or quote-related indicators in various montages. These limitations have been moved, with verbatim language, into amended claims 23 and 27, respectively.² As such, claims 22 and 24 now depend from claims 23, and claims 26, 28, and 29 now depend from claim 27.

Dependent claims 24 and 28 have been amended to recite "displayed size quotes" in analogous language to claim 18, while dependent claim 25 now refers back to claim 24 rather than claim 18. Dependent claim 7 has been amended to depend from claim 5 rather than claim 1, and to clarify that the "order execution manager," (rather than an "execution process") executes received orders.

Accordingly, the entire application is believed to be in condition for allowance, and such action is respectfully requested at the Examiner's earliest convenience.

² These limitations replace language in claims 23 and 27 that was moved into independent claims 20 and 21 respectively regarding routing/executing of orders to provide antecedent basis for portions of the request for cancel limitation.

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Serial No. : 09/401,873
Filed : September 23, 1999
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Attorney's Docket No.: 09857-029001

No fee is believed to be due for this response, however, if any fees are due, please apply them to deposit account 06-1050, referencing Attorney Docket No. 09857-029001.

Respectfully submitted,

Date: _____

10/5/07

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